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Atty. Docket No. YOR9-2000-0138US1
(590.010)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of : Kienzle et al.
Serial No. : 09/578,675 Examiner : J.Ustaris
Filed : May 25, 2000 Art Unit : 2611
For : CREDIT BASED MEDIA PRESENTATION

May 7, 2007

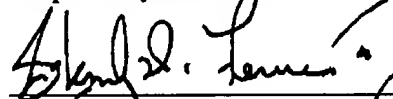
PRE-APPEAL BRIEF REQUEST FOR REVIEW

Box AF
Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

Sir:

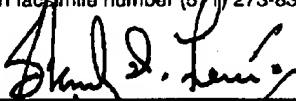
Applicants hereby request review of the final rejection in the above-identified application in accordance with the Pre-Appeal Brief Conference Pilot Program for the reasons stated in the attached remarks. No amendments are being filed herewith and this request is being filed with a Notice of Appeal. The Commissioner is hereby authorized to charge payment of any fees associated with this communication or credit any overpayment to Deposit Account No. 50-0510.

Respectfully submitted,



Stanley D. Ference III
Registration No. 33,879

I hereby certify that this correspondence and any documents referred to as enclosed therewith are being transmitted by facsimile to the Commissioner for Patents on facsimile number (571) 273-8300 on May 7, 2007.



Stanley D. Ference III
Reg. No. 33,879

May 7, 2007
Date of Signature

Customer No. 35195
FERENCE & ASSOCIATES LLC
409 Broad Street
Pittsburgh, Pennsylvania 15143
(412) 741-8400
(412) 741-9292 - Facsimile
Attorneys for Applicants

REMARKS

The outstanding Office Action, dated February 7, 2007, rejected claims 1, 3-4, 6-15, 17-18, and 20-28 and the rejection was made final. Of these claims, Claims 1, 15, and 28 are independent claims; the remaining claims are dependent claims. Claims 1, 3-4, 6-12, 15, 17-18, 20-25, and 28 stand rejected under 35 USC 103(a) as being unpatentable over Neel et al. (US Patent No. 5,838,314) in view of Russo (U.S. Patent No. 5,619,247). Claims 13, 14, 26, and 27 stand rejected under 35 USC 103(a) as being unpatentable over Neel et al. (US Patent No. 5,838,314) in view of Russo (U.S. Patent No. 5,619,247) and further in view of Hunter (US Published Application No. 2003/0133692).

There is Clear Error in the Examiner's Rejections

The Office has failed to set forth a *prima facie* case of obviousness in its rejection of the present invention. The cited art fails to teach or suggest the invention as currently claimed, moreover, no motivation for the modification of the reference has been provided and no expectation of success has been shown; therefore, the present rejections are improper and made in clear error.

35 USC 103 Rejections:

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103 there must be a suggestion or motivation to modify a reference or combine references; a reasonable expectation of success in making the modification or combination; and the prior art must teach or suggest all the claim limitations. *See, e.g. In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

The Office has failed in this instance to establish such a case of obviousness. The Office has not identified any motivation whatsoever in Neel et al. nor Russo to modify the references.

Applicants submit no such motivation actually exists. Moreover, this failure alone is clearly in error and absolutely precludes the establishment of *prima facie* case of obviousness and, therefore, requires the immediate withdrawal of the present final rejections.

Applicants would like to also submit that there is neither an expectation of success in modifying the reference nor a teaching or suggestion of all the presently claimed elements of the invention. Thus, the rejections should again be immediately withdrawn and the claims allowed.

As the Applicants have explained in prior Amendments, Neel et al. relates to pay-per-view and video-on-demand systems utilized in hospitality establishments such as hotels, motels, and hospitals. Neal teaches a video service system where a user is able to avoid paying for the cost of viewing a pay-per-view program by proceeding through an interactive advertisement of a certain sponsor. (Figs. 6, 7a, col. 17 line 45-col. 19 line 44) In Neel et al., "customers are given the option of paying for the pay-per-view or video-on-demand services with a credit or debit card or billing the transaction to their room bill ... or having one or several advertisements transmitted in conjunction with the service and having the advertiser pay for the video programming." (Col. 4, lines 51-56) The entire media content in Neel et al. is presented by either paying or billing a certain amount or by watching an interactive advertisement. In an interactive advertisement, users have the ability to respond interactively to questions and request for data, for example, when an advertisement for an automobile manufacturer asks system users if they are currently interested in buying a new car. (Col. 4, lines 68-64)

Russo does not overcome the deficiencies of Neel et al. as set forth above. As the Applicants have also explained in prior Amendments, Russo again relates to a pay-per-view system utilized in hospitality establishments where the pay-per-view program is locally recorded and the recording is played back. Russo is directed to "a system capable of storing one or more pay programs, and wherein a user is responsible for payment only after a particular selection has

been viewed or enjoyed.” (Col. 1, lines 6-8) When a pay program is recorded, “the recording itself may take place at any time preceding playback, [however,] billing occurs only when, and if, the subscriber chooses to select a program for replay or actually enjoys the program substantially. The billing may alternatively be based on a store-credit billing or account debiting scheme” (Col. 3, lines 6-11) Account debiting occurs when the system is two way. (Col. 6, lines 25-27) Thus, the recording system in Russo overcomes issues associated with pay-per-view systems such as Neal et al. when many viewers want to view the same program at the same time (Col. 2, lines 1-5) or when the viewing is interrupted or terminated and the viewer has no means by which he may cancel the transaction. (Col. 2, lines 58-64)

Both Neal et al. and Russo stand in contrast with the present invention, in which all media content delivered by the broadcaster is assigned a value from the consumer’s point of view, i.e., each piece of selected content preferably has a credit or debit value associated with it. A “piece” of content may be defined, for instance, as a TV show or segment thereof or as a single TV commercial, etc. (Page 6, lines 14-16) Thus, the content is segmented or portioned and separate credit values are assigned to separate portions of the media content. As such, each portion of content may have a separate associated credit value, or the content as a whole may have an associated credit value. In the case of a TV show, the show may be broken into segments of any size for the purpose of applying credits until they run out.. The entire show may also be considered a single “piece” so that the credit determination would be made before presenting the show, thereby ensuring that the show would not be terminated at some intermediate point during its transmission. (Pages 6-7) Entertainment or information content is assumed to have a positive value. Advertising content is assumed to have a negative value. (Page 3, lines 7-10) As recited in the specification, the present invention broadly contemplates a method whereby a computer maintains an “account” of the positive- and negative-value content

that has been presented to the consumer, and uses the balance in that account to determine the rules for future behavior of the presentation device. (Page 3, lines 12-15)

Furthermore, in one embodiment of the present invention, a viewer may earn "credits" towards the capability of viewing "valuable" television shows (*e.g.*, those that correspond to his or her interests, relatively new movies, etc.) by watching commercials. He or she, however, may have the option of bypassing commercials and, instead, paying an extra fee (*e.g.*, as part of a monthly cable bill). Credits and debits will preferably be applied only when content is watched (*e.g.*, when the TV set is on and a show is in progress or when a video is being watched, but not when a VCR is recording a TV show and the TV set is [*i.e.*, live audio and video] is switched off). Preferably, all rules relating to credits and debits will be enforced by the cable provider in this instance, but will be applied by the set-top box. (Page 11)

The claims of the present invention require much more than merely paying, billing a certain amount, or watching an interactive advertisement. By way of non-limiting example, Claim 1 includes an interface arrangement which receives media content comprising a plurality of segments, wherein each segment includes cost factor data associated therewith; a controller which examines said cost factor data, attributes credit values to said plurality of segments based on said cost factor data, and maintains a credit balance associated with said consumer based on the attributed values, wherein said controller attributes a positive credit value to received media content construed as credit-bearing content and attributes a negative credit value to received media construed as debit-bearing content, and is adapted to adjust the attributed credit value of the received media content based on said cost factor data and at least one additional predetermined criterion; and a regulator which applies rules for presenting the media content based on the credit balance.

Both Neal et al. and Russo fail to teach or suggest the claimed invention. In particular, there is no teaching or suggestion in either Neal et al. nor Russo of any segmentation of media content, associating separate credit values to different portions of the media content, or adjusting the attributed credit value of the media content based upon cost factor data. In Neal et al., the price of the pay-per-view content undergoes no adjustment, but should the user elect to view the commercial the price is waived and billed to the advertiser (i.e., "Little Women" still costs \$4.95 but that money is paid by the advertiser rather than the user) (Fig. 7a, col. 4 lines 51-56). In Russo, although a user's account may not be charged until the user has viewed a significant portion of a particular program, the overall cost of watching the program is not changed. Simply put, the system of Russo allows a user to pause a program for a significant time without the user's account being charged or to get a free preview of the program.

While the above discussion was directed to independent Claim 1, it is equally applicable to the other independent claims. It is respectfully submitted that since the features just described are neither taught nor suggested by the applied art the present rejections are improper.

Conclusion

In view of the foregoing, it is respectfully submitted that independent Claims 1, 15, and 28 fully distinguish over the applied art and are thus allowable. By virtue of dependence from Claims 1 and 15, it is thus also submitted that Claims 3-4, 6-14, 17-18, and 20-27 are also allowable at this juncture.

In summary, it is respectfully submitted that the instant application, including Claims 1, 3, 4, 6-15, 17, 18, and 20-28, is presently in condition for allowance. Notice to the effect is hereby earnestly solicited.